



GENEVA STEEL

P.O. BOX 2500
PROVO, UTAH 84603

TELEPHONE: (801) 227-9000
FAX: (801) 227-9090

RECEIVED

IAN 05 2000 0001

DIVISION OF OIL, GAS & MINING

m/021/008

December 16, 1999

Mr. D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Geneva Steel Company
Iron Mountain Mine
M/021/008
Iron County, Utah

Dear Mr. Hedberg:

In response to your letter dated November 8, 1999, I have found the needed prints to identify and delineate the contemplated 6.6 acres of pre-law disturbance areas around the Ant Hill and YJ Pit areas. The prints are in our Engineering Department at this time for changes. Once they are changed, I intend to seek the necessary approvals at Geneva Steel to confirm the use of these areas as mitigation lands.

I am assuming (1) that reclamation of the 6.6 pre-law acres will eliminate any obligation to reclaim the 3.3 acres of steep dump slopes on the Tip Top and Excelsior/Chesapeake mine sites, (2) that no reclamation of the 6.6 acres will be required until Geneva recommences mining operations at Iron Mountain (or, if mining does not resume, upon final reclamation), (3) that the mitigation reclamation will consist of backfilling the YJ Pit, ripping and leveling the balance of the 6.6 acres, and revegetating the 6.6-acre area; (4) that a formal amendment to the Iron Mountain Mine permit will be used to document this mitigation arrangement, and (5) that Geneva will be able to obtain a stipulated reduction in the amount of its reclamation bond upon successful reclamation of the 6.6 acres. If I am mistaken in any of these assumptions, please let me know.

I will attempt to obtain corporate approval for the mitigation plan as soon as possible, and will respond at that point with a proposed amendment to the current reclamation plan and a revised map.

GEN-DWH.ca

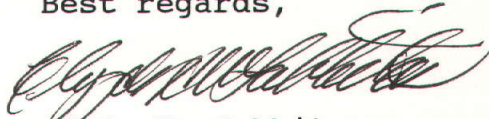
EQUAL OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

0001

Mr. D. Wayne Hedberg
December 16, 1999
Page 2

Thank you for your assistance.

Best regards,

A handwritten signature in dark ink, appearing to read "Clyde H. Gabbitas", with a stylized flourish at the end.

Clyde H. Gabbitas
Sr. Manager